

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:699
ANSWERED ON:21.02.2003
STABILITY OF SEZ
T.M. SELVAGANAPATHI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government are considering to give legal stability to the Special Economic Zones which are being set up in various States;
- (b) if so, the details thereof;
- (c) whether the Government have made an investment plan of Rs.1051 crore for the Agri-Export Zones during the Tenth Five Year Plan;
- (d) if so, the details thereof;
- (e) whether the Government are also considering to enter into regional free trade agreements with smaller neighbours; and
- (f) if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) & (b): In order to give legal stability to the policies relating to Special Economic Zones, steps have been initiated for a Central legislation.

(c) & (d) : The Central Government has so far sanctioned 45 Agri-Export Zones (AEZs) in 17 different States. The total likely investment estimated in these AEZs will be around Rs.1248crores. About Rs. 362 crores will flow from various Central Government agencies like Agricultural & Processed Food Products Export Development Authority,National Horticulture Board, Ministry of Food Processing Industries and Ministry of Agricultureand Rs.195 Crores and Rs.691 crores will be contributed by State Governments and private enterprises respectively.

(e) & (f) : India and its neighboring countries namely Pakistan, Sri Lanka, Bhutan, Nepal and Maldives are members of SAARC Preferential Trading Arrangement (SAPTA) which was signed on 11th April, 1993 at the 7th SAARC Summit held in DhakaThe final objective of the negotiation under SAPTA is the achievement of South Asian Free Trade Area (SAFTA). In the SAARC Summit held in Colombo in July, 1998, the Prime Minister of India had indicated that India would be willing to consider entering into bilateral Free Trade Agreement (FTA) with SAARC countries interested in moving faster towards trade liberalisation. Sri Lanka responded positively to this offer and India-Sri Lanka Free Trade Agreement was signed on 28th December 1998.

A proposal for a bilateral Preferential Trade Arrangement between India-Afghanistan is under negotiation.

India is also a party to the Bangkok Agreement under which concessions have been exchanged with the other participating countries, namely, Bangladesh, Republic of Korea and Sri Lanka. China has also acceded to the Bangkok Agreement recently but presently no concessions have been exchanged between India and China under the Agreement.